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7 Counsel to Debtors
8 Alan Gomperts, Daniel Halevy, and
Susan Halevy
9

10 UNITED STATES BANKRUPTCY COURT
11 CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION

12 In re:

13 SEATON INVESTMENTS, LLC, *et al.*, -- *Now*
14 *a dismissed case*,

15
16 Debtors and Debtors in
Possession.

Lead Case No. 2:24-bk-12079-VZ

Jointly Administered with Case Nos.:
2:24-bk-12080-VZ; 2:24-bk-12081-VZ;
2:24-bk-12082-VZ; 2:24-bk-12091-VZ;
2:24-bk-12074-VZ; 2:24-bk-12075-VZ
and 2:24-bk-12076-VZ

Chapter 11

**DEBTORS' STATUS REPORT RE
CONTINUED HEARING ON ORDER
TO APPEAR TO EXPLAIN WHY
CASES SHOULD NOT BE
DISMISSED; DECLARATION OF
ALAN GOMPERTS IN SUPPORT
THEREOF**

- 19 ☐ Affects All Debtors.
20 ☐ Affects Seaton Investments, LLC (*Dismissed*)
21 ☐ Affects Colyton Investments, LLC (*Dismissed*)
22 ☒ Affects Broadway Avenue Investments, LLC
23 ☒ Affects SLA Investments, LLC
24 ☒ Affects Negev Investments, LLC
25 ☒ Affects Alan Gomperts
26 ☒ Affects Daniel Halevy
27 ☒ Affects Susan Halevy
28

Hearing:
Date: July 10, 2025
Time: 10:00 a.m.
Crtrm.: 1368

1 Debtors Alan Gomperts, Daniel Halevy, and Susan Halevy (collectively, the “Individual
2 Debtors”) and debtors Broadway Avenue Investments, LLC (“Broadway”), SLA Investments, LLC
3 (“SLA”), and Negev Investments, LLC (“Negev,” and collectively with Broadway and SLA, the
4 “Corporate Debtors,” and collectively with the Individual Debtors, the “Debtors”) hereby submit
5 this status update to the responses of Debtors (Docket Nos. 397, 412) re Order to Appear to Explain
6 why Cases Should not be Dismissed (Docket No. 367) (the “OSC”). The Debtors wish to apprise
7 the Bankruptcy Court of the most recent developments in their cases prior to the continued OSC
8 hearing scheduled for July 10, 2025 at 10:00 a.m.

9 Given the Debtors’ progress toward confirmation, the Debtors request that the Court vacate
10 the OSC hearing or continue the hearing by not less than 60 days.

11 **I. BACKGROUND**

12 As of December 2024, Archway Broadway Loan SPE, LLC (“Archway”) was granted relief
13 from the automatic stay as to the real property located at 737 S. Broadway, Los Angeles, CA 90014
14 (the “Broadway Building”), effective immediately for foreclosure noticing purposes and effective
15 April 11, 2025 for a foreclosure sale.

16 On December 20, 2024, the Court entered the OSC requiring the Debtors to “show cause
17 why the above-captioned bankruptcy cases should not be converted or dismissed pursuant to 11
18 U.S.C. § 1112.” OSC at p. 2.

19 On January 16, 2025, the Debtors filed a response to the OSC (“Response to OSC,” Docket
20 No. 397), and on January 29, 2025, the Debtors filed a further status update regarding the OSC
21 (“Status Update re OSC,” Docket No. 412).¹ On January 30, 2025, the Court held a hearing on the
22 OSC, and at this hearing, the Debtors indicated that two of the debtors, Seaton Investments, LLC
23 and Colyton Investments, LLC, could be dismissed based on a recent resolution with the secured
24 creditor in those cases. The Court, then, continued the OSC hearing to February 27, 2025 at 11:00
25 a.m.

26
27
28 ¹ To avoid redundancy, the Debtors hereby incorporate the facts, evidence, and arguments contained
in the Response to OSC and the Status Update re OSC.

1 On February 20, 2025, the Debtors filed a status report re the continued OSC hearing
2 (Docket No. 438), and then, in light of the status of settlement discussions with creditors and
3 development of a new plan, on February 27, 2025, the Court held a continued OSC hearing and
4 continued the hearing to April 10, 2025. Also on February 27, 2025, the Court gave oral findings
5 on the Debtors' Disclosure Statement, which helped the Debtors identify the remaining issues for
6 the disclosure statement and proposed joint plan.

7 On March 6, 2025, the Court entered an order dismissing the jointly administered
8 bankruptcy cases of Seaton Investments, LLC and Colyton Investments, LLC (Docket No. 459).

9 On April 10, 2025, the Court held a continued OSC hearing and further continued the
10 hearing to May 22, 2025 (Docket No. 484).

11 On May 22, 2025, the Court held a continued OSC hearing and further continued the hearing
12 to July 10, 2025.

13 14 **II. STATUS UPDATE**

15 The Debtors have intensely negotiated with Archway through the year for a resolution on the
16 Archway debt and these Cases in general, culminating in an in-person settlement meeting on May 5,
17 2025. At that meeting, the Debtors and Archway (together, the "Parties") reached an agreement on
18 material terms for a "global" settlement (the "Settlement") to resolve all disputes between the Parties
19 and to secure Archway's support for a plan of reorganization. Since May 5, 2025, Archway has been
20 drafting more than twenty original documents to implement the terms of the Settlement. Those
21 documents are still in process but the Parties expect to file 9019 Motion prior to the hearing on the
22 OSC to present the Settlement and its attendant documents to the Court for approval.

23 The material terms of the Parties' Settlement (subject to, and as more specifically set forth
24 within, the Settlement Documents) are as follows:

- 25 • Debt. Archway's debt is composed of (i) principal; (ii) contract interest through the
26 date of settlement; and (iii) fees, including attorneys' fees, and costs. Default
27 interest will be waived, subject to default provisions.
- 28 • Lease. Broadway enters lease (the "VBH Lease") with View Behavioral Health,

1 LLC (“VBH”);

- 2 a. Rent Lock Box / DACA to collect rents with disbursements as agreed by
3 the Parties;
- 4 b. SNDA signed by Archway;
- 5 c. Jack Stephens provides “bad boy” guaranty;
- 6 • Interest. Interest at 7% with forbearance on accrual and payment until the VBH
7 Lease payments begin;
- 8 • Canon. Sue Halevy to market and sell the real property located at 341 S. Canon (the
9 “Canon Property”), and Archway to remove the *lis pendens* on the Canon property.
10 The sale proceeds from the sale of Canon shall be distributed to a reserve account
11 to be used for VBH Lease commitments, except for an agreed-upon carve-out
12 which shall be released to Sue Halevy for restructuring and/or living expenses for
13 herself and Daniel Halevy as she deems appropriate.
- 14 • Collateral.
- 15 a. Archway maintains all existing liens on collateral, including real property:
16 Broadway Ave; S. Los Angeles Street; Foxdale Drive; Greenfield Ave;
17 Palm Drive; Horner Street.
- 18 b. New collateral: Canfield (Alan Gomperts); Bagley (Alan Gomperts); 50%
19 interest in Roxbury (Sue Halevy).
- 20 • Tiered Foreclosure. In the event of a default, Archway may proceed to foreclose
21 against collateral in three tiers, without foreclosing from property in a successive
22 tier until first conducting non-judicial foreclosure auctions of all properties in the
23 prior tier:
- 24 a. Tier 1: Broadway, S. Los Angeles, Foxdale/Negev
- 25 b. Tier 2: Greenfield, Palm, Bagley, Canfield, Roxbury
- 26 c. Tier 3: Horner

27 These material terms are not the exclusive terms of the Parties’ Settlement, which will be set
28 forth in full in the 9019 motion to approve the Settlement and the Settlement Documents . The

1 Settlement Documents are anticipated to include the following documents (the “Settlement
2 Documents”):

- 3 • Master Settlement Agreement;
- 4 • A-Note;
- 5 • B-Note;
- 6 • Memorandum of Modification, notarized for recording purposes;
- 7 • Alan/Sue Guaranty;
- 8 • Canfield Deed of Trust;
- 9 • Bagley Deed of Trust;
- 10 • Roxbury Deed of Trust;
- 11 • Roxbury Pledge;
- 12 • Roxbury UCC-1;
- 13 • Broadway/VBH Lease;
- 14 • SNDA;
- 15 • Bad Boy Guaranty;
- 16 • Rent Lock Box Account Agreement;
- 17 • Rent Lock Box Account Pledge Agreement;
- 18 • DACA;
- 19 • Canon Sale Listing Agreement;
- 20 • Canon Sale Proceeds Reserve Account Agreement;
- 21 • Canon Sale Proceeds Reserve Account Pledge Agreement;
- 22 • Canon Sale Proceeds Reserve Account DACA; and
- 23 • Stipulation for Entry of Judgment.

24
25 The Debtors’ joint plan of reorganization relies on rental income to be generated by a long-
26 term commercial lease for the Broadway Building. Broadway has been able to acquire a tenant for
27 the Broadway Building, and under the Settlement with Archway, Archway will support Broadway’s
28 entry into a post-petition lease, and those lease payments will support the joint plan.

1 Throughout these chapter 11 cases, the only significant opposition to the Debtors'
2 reorganizational efforts have been posed by Archway. With this Settlement, the Debtors have a clear
3 path to confirmation.

4 The Parties' agreement to the material terms of the Settlement as set forth herein and in the
5 Declaration of Alan Gomperts is proof that the Debtors have achieved a substantial likelihood of
6 success in confirming a chapter 11 plan of reorganization.

7 **III. CONCLUSION**

8 For the foregoing reasons, the Debtors request that the Court discharge the OSC or that the
9 Court continue the hearing on the OSC by not less than 60 days.

10
11 Dated: June 26, 2025 SAUL EWING LLP

12
13 By:  _____

14 Zev Shechtman

15 Ryan Coy

16 Attorneys for Individual Debtors

17 Dated: June 26, 2025 WEINTRAUB ZOLKIN TALERICO & SELTH LLP

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19 By:  _____

20 Derrick Talerico

21 Attorneys for Corporate Debtors
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1. I am the managing member of Seaton Investments, LLC. I am a manager of Broadway Avenue Investments, LLC and SLA Investments, LLC. I am an authorized representative of Colyton Investments, LLC, and Negev Investments, LLC. I am also working closely with the other Individual Debtors, Susan Halevy and Daniel Halevy, in all aspects of this case.

3. The material terms of the Parties' Settlement (subject to, and as more specifically set forth within, the Settlement Documents) are as follows:

- Debt. Archway’s debt is composed of (i) principal; (ii) contract interest through the date of settlement; and (iii) fees, including attorneys’ fees, and costs. Default interest will be waived, subject to default provisions.
- Lease. Broadway enters lease (the “VBH Lease”) with View Behavioral Health, LLC (“VBH”);
 - a. Rent Lock Box / DACA to collect rents with disbursements as agreed by the Parties;
 - b. SNDA signed by Archway;
 - c. Jack Stephens provides “bad boy” guaranty;
- Interest. Interest at 7% with forbearance on accrual and payment until the VBH

1 Lease payments begin;

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6 which shall be released to Sue Halevy for restructuring and/or living expenses for
7 herself and Daniel Halevy as she deems appropriate.

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11 Palm Drive; Horner Street.

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15 against collateral in three tiers, without foreclosing from property in a successive
16 tier until first conducting non-judicial foreclosure auctions of all properties in the
17 prior tier:

18 a. Tier 1: Broadway, S. Los Angeles, Foxdale/Negev

19 b. Tier 2: Greenfield, Palm, Bagley, Canfield, Roxbury

20 c. Tier 3: Horner

21 4. These material terms are not the exclusive terms of the Parties’ Settlement, which
22 will be set forth in full in the 9019 motion to approve the Settlement and the Settlement
23 Documents . The Settlement Documents are anticipated to include the following documents (the
24 “Settlement Documents”):

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- 26 • A-Note;
- 27 • B-Note;
- 28 • Memorandum of Modification, notarized for recording purposes;

- Alan/Sue Guaranty;
- Canfield Deed of Trust;
- Bagley Deed of Trust;
- Roxbury Deed of Trust;
- Roxbury Pledge;
- Roxbury UCC-1;
- Broadway/VBH Lease;
- SNDA;
- Bad Boy Guaranty;
- Rent Lock Box Account Agreement;
- Rent Lock Box Account Pledge Agreement;
- DACA;
- Canon Sale Listing Agreement;
- Canon Sale Proceeds Reserve Account Agreement;
- Canon Sale Proceeds Reserve Account Pledge Agreement;
- Canon Sale Proceeds Reserve Account DACA; and
- Stipulation for Entry of Judgment.

5. The Debtors' joint plan of reorganization relies on rental income to be generated by a long-term commercial lease for the Broadway Building. Broadway has been able to acquire a tenant for the Broadway Building, and under the Settlement with Archway, Archway will support Broadway's entry into a post-petition lease, and those lease payments will support the joint plan.

1 I declare under penalty of perjury under the laws of the United States of America that the
2 foregoing is true and correct.

3 Executed on this 26th day of June, 2025, at Tel Aviv, Israel.

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5 Signed by:
6 ALAN GOMPERTS
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
Saul Ewing LLP, 1888 Century Park East, Suite 1500, Los Angeles, CA 90067

A true and correct copy of the foregoing document entitled (*specify*): **Debtors' Status Report Re Continued Hearing on Order to Appear to Explain Why Cases Should not be Dismissed; Declaration of Alan Gomperts in Support Thereof** be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **June 26, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

June 26, 2025

Date

Hannah Richmond

Printed Name

/s/ Hannah Richmond

Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF) (continued):

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